

Filed for intro on 01/17/2002

SENATE BILL 2257

By Cooper J

AN ACT to amend Tennessee Code Annotated, Title 56 and Title 71, relative to recoupment for services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 32, Part 2, is amended by adding the following as a new section to be appropriately designated:

Section 56-32-2__.

If authorization is given and a claim for any medical service, procedure or test deemed "non-experimental" under any federally-funded health care program is adjudicated by a health maintenance organization or its agent to any medical services provider for care to be delivered to a covered beneficiary under any evidence of coverage issued by the health maintenance organization, including those organizations participating in the TennCare program, collectively referred to as "organization," then such organization acting directly or by delegation through an agent acting on behalf of the organization shall not subsequently rescind or modify that authorization or deny the authorized payment to the medical services provider for the authorized service by recharacterizing such medical service, procedure or test as "experimental" after the provider renders

the authorized service in good faith and pursuant to the authorization, except for payments made as a result of the provider's misrepresentation or fraud.

SECTION 2. The provisions of this act shall not apply to health plans preempted from state regulation by the Employee Retirement Income Security Act of 1974 ("ERISA").

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect July 1, 2001, the public welfare requiring it.